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Report Highlights:

What Are You Paying to Give Thanks? * Canada and the Doha Round - Defending Supply Management

General Information:

What Are You Paying to Give Thanks?

Last week the American Farm Bureau Federation (AFBF) released its 24th annual calculation of the average cost for a classic Thanksgiving dinner in the United States. The AFBF's informal survey indicates that the average cost of a typical feast for 10 people is \$42.91, down 4 percent from the cost

last year. Canada celebrated their Thanksgiving in October and the menus are basically the same. Using the AFBF ingredients the price of this Thanksgiving feast is calculated for Ottawa. The total cost in the Canadian capital is C\$70.96 or US\$66.33 using the current exchange rate.

Ingredients: Thanksgiving Feast	U.S. Average*	Ottawa, Canada	Percent Difference
	US\$	US\$	
Milk, 1 gallon, whole	2.86	4.64	+62.1%
Turkey, 16- pound	18.65	34.25	+83.6%
Misc. Ingredients**	2.50	2.34	-6.5%
Cream, ½ pint	1.55	1.86	+20.0%
Rolls, 12	2.08	3.70	+78.0%
Relish tray, 1 lb. (carrots & celery)	0.72	1.40	+94.7%
Fresh Cranberries, 12 oz.	2.41	1.86	-22.8%
Pumpkin pie mix, 30 oz.	2.45	2.98	+21.7%
Pie shells (2)	2.34	2.51	+7.5%
Cube stuffing, 14 oz.	2.65	4.28	+61.5%
Sweet potatoes, 3 lbs.	3.12	4.17	+33.6%
Green peas, 1 lb.	1.58	2.34	+47.9%
Total	42.91	66.33	+54.6%

* American Farm Bureau Federation press release, November 12, 2009.

* * No details for this category so same price (\$2.50) used in respective currencies.

Exchange rate: \$US1 = C\$0.9347. Bank of Canada, closing rate, November 20, 2009.

Canada and the Doha Round – Defending Supply Management

In early November the Canadian Parliament's Standing Committee on International Trade issued a report called "Defending Supply Management at the WTO." The report summarized presentations before the committee from the Government and representatives of the supply managed commodities (dairy, eggs, turkeys and chickens) responding to the December 2008 Doha text which would "effectively undermine Canada's system of supply management." The committee expressed appreciation for the Government's ongoing support of the supply management system and issued one recommendation: "That the Government of Canada affirm its unequivocal support of, and commitment to defend, Canada's supply management system." Support came from parliamentarians from all the political parties.

There have, however, been editorials which are far less supportive of defending supply management. For example, an editorial in the National Post argues the report should have been titled "Let's Keep Screwing Consumers" and goes on to suggest the supply management system has stymied the competitiveness of the dairy industry resulting in high consumer prices and thwarting exports. An editorial in the Edmonton Journal lamented that Canada is missing an opportunity at the upcoming December WTO ministerial conference where the United States, Brazil, India, Japan, South Africa, and China are viewed as players trying to advance the Doha Round by considering and discussing potential additional concessions in agriculture, industrial products, and services access negotiations. Canada on

the other hand will expend most of its efforts on trying to maintain protection for its poultry, eggs and cheese and dairy products industries instead of focusing on expanding international agricultural trade. For the author, Canada's protectionist position is at the expense of both consumers, who pay more at the grocery store, and Canada's export-oriented agricultural sectors that pay in terms of lost opportunities for expanded market access for grains, oilseeds, livestock and meat, and processed agricultural products around the world. The editorial concludes that Canada's agricultural exporters may be left with a result negotiated on the priority interests of other countries.